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February 11, 2021

By Electronic Case Filing

The Honorable Katharine H. Parker, U.S.M.J.  
United States District Court for the Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street  
New York, N.Y. 10007-1312

RE: Federal Insurance Company v. Gander & White Shipping, Inc.  
U.S. District Court for the Southern District of N.Y., Case No. 1:19-cv-07209-ALC-KHP

Dear Judge Parker:

In accordance with the Court's memo endorsement of January 8, I write to update the Court as to the status of discovery in the captioned matter.

I apologize for writing unilaterally, without the contribution of defense counsel, Hanoch Sheps, Esq. Unfortunately, I sent Mr. Sheps my draft yesterday but have not heard back from him as to his proposed contribution to the letter.

Since counsel's last status letter to the Court, counsel have engaged in settlement negotiations but are now at an impasse. Federal's settlement demand and Gander & White's settlement offer are now much closer than they originally were. However, Gander & White has now advised Federal that in light of new evidence indicating that one of the three artworks had been damaged before the date of transport, Gander & White is considering reducing its settlement offer from its last position.

Federal responds that the new evidence is unremarkable and doesn't change the fact that Gander & White seriously damaged the three artworks when it moved them from Ms. Hedley's home.

Given the impasse in negotiations, Federal would like to accept the Court's kind offer to schedule a settlement conference. Gander & White is now proposing moving forward with the deposition of Ms. Hedley, of a representative of her insurance agent and of a representative of Federal. Federal notes that Gander & White has never responded to Federal's request for dates for the deposition of Gander & White's office administrator, Sara Rada.

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Further discovery would, of course, be obviated if the Court could effect a settlement, which would be Federal's preferred method of proceeding.

Respectfully submitted,

**WHITE AND WILLIAMS LLP**

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